initiated by the Government of Maharashtra to protect the Underi Fort under the State legislation.

Merger between private banks and NBFCs

751. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has come out with guidelines on mergers and amalgamations between private sector banks and Non-Banking Finanace Companies (NBFCs);

(b) if so, the areas and the guidelines thereof;

(c) whether the RBI has examined the issue of smooth flow of bank finance to NBFCs; and

(d) if so, the extent to which it would be helpful for private sector banks and Non-Banking Finance Companies (NBFCs)?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Reserve Bank of India (RBI) has issued guidelines or merger/amalgamation between two banking companies or between a banking company and a non-banking financial company on 11.05.2005 laying down, *inter-alia,* the process of merger proposal, determination of swap ratios, disclosures, the stages at which the Boards will get involved in the merger process, etc. These guidelines are available on RBI website *www.rbi.org.in.*

(c) and (d) RBI has been reviewing its guidelines on financing of NBFCs by banks from time to time. In terms of RBI Master Circular dated 1st July, 2006, except for a negative list of activities which are not eligible for bank finance, the bank finance is permissible to different classes of NBFCs and banks may formulate their own policies in this regard.

Flouting of rules by banking finance companies

†752. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether banking finance companies in the country are

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†Original notice of the question was received in Hindi.